

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Room. The meeting was rescheduled due to the Christmas holiday. Present were Commissioners Schreiner, Kottke, Stansberry, Cosens and Simon. Also present were General Manager Fritsch; Director, Financial & Administrative Services Fondell; Director, Engineering Johnson; Director, Field Operations & External Relations Warehime; Director, Customer Service, Conservation Generation & Substations Green; Manager, HR, Safety, Risk & Loss Control Madson; Executive/HR Assistant Schmoll; Marketing & Energy Conservation Manager Jared Hendricks; and Gas Engineer Jon Blough. Other guests included customer, Roger Wacek.

Commissioner Simon led the Pledge of Allegiance.

Minutes

The Minutes from the November 25, 2014 meeting were presented to the Commission. Executive/HR Assistant Schmoll presented revised Minutes containing additional comments and corrections from City Administrator Busse. Commissioner Simon also noted he voted Nay in regards to the approval of the 2015, 2016-2019 Forecasted budgeted. Commissioner Kottke moved to approve the Minutes with the above mentioned changes. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed. Attached are the revised Minutes from the November 25, 2014 meeting.

Committee Reports

Finance Committee: Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$4,968,723.53. He further reported three work order additions were approved as well as one unbudgeted work order. Commissioner Simon concluded by reporting, the annual audit report will be presented in April this year instead of June.

Personnel Committee: Commissioner Stansberry reported the Personnel Committee met twice in December. Once was for the General Manager's review and the other was for their regular meeting. At the regular meeting the Committee received a staffing update which included one retirement announcement and the process and progress on hiring an Electrical Engineer. He reported the tidbit that was presented included the original electric rate back on April 10, 1925 was about 10 cents per kWh which is very close to what we have currently.

City Administrator's Report

City Administrator Busse was not present to give a report.

Tree Trimming Bid Tabulation

The attached bid tabulation for tree trimming was presented to the Commission. Director, Financial & Administrative Services Fondell reported OPU currently uses Carr's Tree Service as our tree trimming contractor. She noted big packages were sent to three contractors. After evaluation of the bids received, staff recommends awarding the bid to Carr's Tree Service as the evaluated low bidder. Director, Field Operations & External Relations Warehime noted in years past the contract has been for two years with an option to extend. This year we opted for a one year contract with an option to extend. This contract will also contain one three man crew versus two two man crews. The change amounts to about \$100,000 in savings. After discussion, Commissioner Stansberry moved to award the bid to Carr's Tree Service in the amount of \$277,052.49. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Electric Rate Policies

Electric rate policies reflecting a 1.5% electric rate increase as approved in the 2015 budget were presented to the Commission. Policies presented included:

- Policy #501.40 – Public Street Lighting
- Policy #501.81 – ER99 – Residential Electric Rates
- Policy #501.82 – EC99 – Commercial Electric Rates
- Policy #501.33 – EM05 – Electric Time of Day Rates
- Policy #501.80 – EM6 – Water Pumping - Electric Peak Controlled Time of Day

General Manager Fritsch noted 1% of the increase is due to the anticipated SMMPA rate increases in 2016 of 4% and 2% in 2017. The other .5% is to cover the costs of the joint underground trenching project. Commissioner Kottke moved to approve the electric rate policies as submitted. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

Tuition Reimbursement Policy

General Manager Fritsch presented the Tuition Reimbursement Policy to the Commission. He noted the significant changes included changing the reimbursement amount to 100% for a letter grade of an A, B, or C or a passing designation. No reimbursement would be given for a letter grade of D or F or a non-passing or incomplete designation. General Manager Fritsch also noted the policy will no longer advance 50% of the tuition to the employee. Commissioner Kottke inquired if the employee is required to stay a certain amount of time after completing their degree. General Manager Fritsch replied there is no stipulation on how long they have to stay. Commissioner Cosens moved to approve the Tuition Reimbursement policy as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of November 30, 2014 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the November scorecard.

General Manager/Staff Report

General Manager Fritsch updated the Commission on the repurposing project. He noted the south entrance is being worked on and work is being performed on staging the artifacts in the hallway. The locker room area is also being worked on and should be completed in the next few weeks.

Director, Financial & Administrative Services Fondell reported the last bond payment will be paid on January 2, 2015 which will mean OPU is debt free.

Director, Field Operations and External Relations Warehime updated the Commission on the Water Service Line Protection Program. He noted the program is ready to roll out on January 1st. Mr. Warehime then informed the Commission of an incident that happened over the weekend with a customer and a broken service.

Commission Roundtable

Commissioner Cosens thanked staff for the opportunity to attend the company Recognition Dinner. He noted he felt it was very nice.

No other Commissioners had anything additional to add.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:40 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

The Owatonna Public Utilities Commission met in regular session in the Morehouse Room. Present were Commissioners Schreiner, Kottke, Stansberry, Cosens and Simon. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director Customer Service, Conservation, Generation, & Substations Green; Director, Engineering Johnson; Director Field Operations & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Executive/HR Assistant Schmoll; Marketing/Energy Conservation Manager Hendricks and Byron Brady, new OPU employee.

Jared Hendricks led the Pledge of Allegiance.

Minutes

The Minutes from the regular Commission meeting of October 28, 2014 were presented to the Commission. Commissioner Simon moved to approve the Minutes as presented. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

The Minutes from the special budget meeting of November 18, 2014 were presented to the Commission. Commissioner Stansberry moved to approve the Minutes as presented. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Simon reported the Committee approved cash disbursements in the amount of \$4,720,286.40.

Personnel Committee – Commissioner Stansberry reported the Personnel Committee met and received an update regarding staff. Commissioner Stansberry also reported the Committee is recommending a 2.5% wage increase for the non-union employees effective January 1, 2015 and made a motion for such approval. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

City Administrator's Report

City Administrator Busse reported the preliminary levy increase was 4.03%. The tax capacity in the city increased 4.27%. The final levy being proposed is 3.92% and will be formally presented to the public on December 2. The final approval of the levy will be on December 16, 2014. Mrs. Busse further noted a slight language change will be made to the resolution presented to the City Council regarding the Four Season's agreement. A formal paragraph will be added that notes the financial statements of the Four Season's will be reviewed annually by the City Council.

2015 Budget, 2016-2019 Forecast

Director, Financial & Administrative Services Fondell discussed changes to the budget as discussed at the budget meeting of November 18, 2014. These changes included increasing a capital project for sealing and abandoning well #1 by \$50,000 based on new estimates received, increased costs in insurances based on recent information received, and the removal of a 2016 item that was carried over. This item has no impact on the 2015 budget. Commissioner Kottke moved to approve the 2015 Budget as presented. Commissioner Stansberry seconded the motion. Four Commissioners voting Aye and one Commissioner voting Nay, the motion passed.

Contributed Services

The Contributed Services report as of October 31, 2014 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the October scorecard. Notable changes included an OSHA recordable accident in October. An employee tripped and fell and needed to go to the emergency room for Xrays. The employee ended up with a sprained ankle.

General Manager/Staff Report

General Manager Fritsch introduced OPU's newest employee Byron Brady and noted he will be working in the Gas/Water department.

General Manager Fritsch updated the Commission on the repurposing project, the upcoming strategic planning session, and the progress on SMMPA's new generation project. Mr. Fritsch also updated the Commission on talks with SMMPA regarding natural gas capacity for the generating unit at the West Owatonna Substation, as well as ensuring internally we will have enough natural gas capacity with the pipeline to Hope project.

Director, Financial & Administrative Services Fondell thanked staff for all the work they put into the budget process and also thanked the Commission for approving the budget.

Director, Engineering Johnson noted Jaguar had wrapped up their boring for the fall and will be beginning again in the spring. He noted a lesson's learned session will be held so things are ensured to go smoothly again in the spring.

Director, Field Operations & External Relations Warehime noted work continues behind the scenes on the Water Service Line Protection Program including wrapping up some final details and getting marketing materials developed for the program.

Marketing/Energy Conservation Manager Hendricks reminded the Commission of the upcoming State of the Utility meeting on December 4th.

Manager, HR, Safety, Risk & Loss Control Madson updated the Commission on the efforts of recruiting an Electrical Engineer noting they are continuing. She further noted the position of Locator/Engineering Technician Assistant will be changed slightly to include more GIS functions and will be posted internally, as well as advertised externally to fill the position vacated in July. She wrapped up noting, an accounting clerk will be retiring the end of January 2015 and we will be looking to fill that position.

Commission Roundtable

Commissioner Simon – Nothing.

Commissioner Stansberry – Wished everyone Happy Thanksgiving and asked if the regular Commission meeting scheduled for December 23, 2014 could be moved. The Commission agreed to move the meeting to December 30th.

Commissioner Cosens – Thanked Beth Fondell and the rest of the staff for the work on the budget process and the transparency involved.

Commissioner Kottke – inquired as to the status of the RP3 filing. Executive/HR Assistant Schmoll will give an update presentation at the December Commission meeting.

Adjournment

There being no further business to come before the Commission. Commissioner Simon moved to adjourn the meeting. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:36 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Tree Trimming

Date/Time of Opening: 12/8/14, 1:00 p.m.

Project #: OELE15E16

Budget #: 0550

Budget Amt: \$309,155.00

Project Amt: \$277,052.49

Est. Budget \$309,155.00

Portion:

Acct. Number: 1-40-59302-0000

Vendor	Bid Security	Signed Contract	Amount Bid (2015)
Asplundh Tree Expert Co.	Yes	Yes	\$293,474.09
Wright Tree Service	Yes	No	\$370,029.47
Carr's Tree Service, Inc.	Yes	Yes	\$277,052.49 **

** - Apparent Low Bidder

Bidders List

Project: Tree Trimming

List of Firm Furnished Bid Documents:

Carr's Tree Service
Wright Tree Service
Asplundh Tree Expert Co.

List of Ineligible Bidders:

None